

## **REMARKS**

### **I. Introduction**

Upon entry of the present amendment, claims 1-5 and 7-23 will be pending in this application. Claim 6 has been cancelled without prejudice and incorporated into claim 1. Claims 1 and 2 have been amended to clarify certain aspects. Based on the following remarks, Applicant respectfully requests reconsideration and allowance of the pending claims.

### **II. 35 U.S.C. § 112**

The Examiner has rejected claim 13 under 35 U.S.C. § 112, first paragraph, as containing subject matter not described in the specification by reciting that the “powder is homogenized.” First, claim 13 as originally filed recited that the powder is homogenized; the last response did not add that feature to the claim, so it is unclear why this rejection is being made now. The claims have recited this feature since the application’s original filing. More importantly, however, is that homogenization of the powder is specifically described by the specification on the first and third paragraphs of page 6 and the fifth full paragraph of page 11. To the extent that this rejection is maintained, clarification is respectfully requested.

### **III. 35 U.S.C. § 103**

The Examiner has rejected claims 1-23 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,110,374 to Takeshita in view of U.S. Patent No. 5,091,020 to Kim and U.S. Patent No. 6,149,861 to Kaneko. The Examiner recites the same rejections previously made.

Without acquiescing to the Examiner's position but in the interest of advancing the prosecution of this application, Applicant has incorporated claim 6 into claim 1 so that claim 1 recites a starting material comprising a magnetic material with an anisotropic orientation "and an average grain size of less than 1 mm, a hard magnetic content greater than 90% by volume, and/or foreign phases smaller than 0.5 mm in size." The Examiner has failed to point to support in any of the cited references for this claimed feature.

Applicant has also clarified that independent claims 1 and 2 are methods conducted on "magnetic scrap material to be recycled." As previously argued, the Takeshita patent relates to new materials and thus does not suggest recycling of scrap material. It cannot simply be assumed that methods used to produce magnetic powders from new materials can be used with scrap magnetic material. As evidenced at least in part by the Kim and Kaneko patents, conventional methods of recycling magnetic materials differ significantly from manufacturing magnets from new materials. As well, conditions of the HDDR process required successfully to recycle already-formed rare earth transition metal boron alloys differ from those used to fabricate alloys from new starting materials. Indeed, if fabricating processes designed for new starting materials are attempted with anisotropic and magnetic scrap materials, the fabricated materials will not form acceptable bonded magnets. Accordingly, contrary to the Examiner's contention, substitution of scrap alloys having the claimed features for the new starting materials of the Takeshita patent would not produce "reasonably predictable" results.

Moreover, none of the cited references suggests that methods for producing rare earth transition metal boron alloys from new materials could successfully be used for recycling.

Likewise, none of these references discloses that an HDDR process could be used to recycle already-formed anisotropic magnetic or magnetic scrap material. Consequently, skilled workers would have been more likely to improve upon the conventional recycling methods taught by the Kim and Kaneko patents than to change concepts and revise alloy-production methods for new starting powders so that they may be used for recycling. Applicant accordingly requests reconsideration and withdrawal of the claim rejections.

### **CONCLUSION**

For at least the above reasons, Applicant respectfully requests allowance of the pending claims and issuance of a patent containing these claims in due course. If the Examiner believes there are any issues that can be resolved via a telephone conference, or if there are any informalities that can be corrected by an Examiner's amendment, he is invited to contact the undersigned.

Respectfully submitted,

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